

Ross E. Eisenberg

Vice President

Energy & Resources Policy

July 8, 2013

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20510

The Honorable Henry Waxman
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20510

Dear Chairman Upton and Ranking Member Waxman:

The National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing over 12,000 manufacturers in every industrial sector and in all 50 states, supports H.R. 1900, the “Natural Gas Pipeline Permitting Reform Act.” H.R. 1900 would streamline the permitting process for natural gas pipelines, strengthening our energy infrastructure to accommodate increased domestic production and use of natural gas in manufacturing and other sectors.

Industry relies on natural gas for much of its energy needs and as a raw material. A NAM-supported study by PricewaterhouseCoopers (PwC) recently found that full-scale and robust development of U.S. shale gas plays could result in one million new manufacturing jobs by 2025. However, manufacturers will be unable to take full advantage of our vast domestic resources unless new natural gas pipelines and related infrastructure are added to the system in a timely manner. The INGAA Foundation recently found that from now through 2035, the U.S. will need approximately 1,400 miles per year of new gas transmission mainline and an additional 600 miles per year of new laterals to and from natural gas-fired power plants, processing facilities and storage fields.

Section 313 of the Energy Policy Act of 2005 (EPAct 2005) attempted to streamline the permitting process for natural gas pipelines by designating the Federal Energy Regulatory Commission (FERC) as lead agency and giving FERC the ability to set a schedule for completion of the review. However, in practice, FERC has little to no ability to enforce deadlines and there have been no consequences to other agencies that did not meet permit deadlines. As a result, natural gas pipeline permitting has dragged on, with delays actually *increasing* since enactment of EPAct 2005. The General Accountability Office described the natural gas pipeline permitting process as “complex” in a 2013 report on the subject.

H.R. 1900 modernizes the EPCRA 2005 natural gas permitting process by (1) requiring FERC to approve or reject a pipeline certificate within 12 months, (2) requiring all relevant agencies to approve or deny a permit application within 90 days after FERC's notice of completion of the environmental review, and (3) requiring that a permit goes into effect if an agency does not issue a response within the 90-day timeframe. Taken together, the process changes in H.R. 1900 would ensure that needed natural gas infrastructure is brought online quickly, efficiently and in compliance with all required laws and regulations.

The NAM supports H.R. 1900 because it will strengthen our energy infrastructure, encouraging the cost-effective use of natural gas as part of an "all-of-the-above" energy policy that will fuel a manufacturing resurgence.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Eisenberg", is written over a light blue rectangular background.

Ross Eisenberg
Vice President
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